

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 15, 2007**

**TO:** Honorable Geanie Morrison, Chair, House Committee on Higher Education

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB3450** by Rose (Relating to coordination of postsecondary curricula and to an academic planning Internet website to support academic progress by students enrolled at public institutions of higher education.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3450, As Introduced: a negative impact of (\$1,734,416) through the biennium ending August 31, 2009.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$1,359,084)
2009	(\$375,332)
2010	(\$375,332)
2011	(\$375,332)
2012	(\$375,332)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2007
2008	(\$1,359,084)	2.0
2009	(\$375,332)	2.0
2010	(\$375,332)	2.0
2011	(\$375,332)	2.0
2012	(\$375,332)	2.0

**Fiscal Analysis**

The bill would direct the Higher Education Coordinating Board to compare the curricula of Texas' two-year institutions and four-year General Academic Institutions (GAIs) to ensure the courses offered at two-year institutions meet the following goals; provide prerequisite courses required for students to enroll at GAIs; provide courses that are transferable to GAIs; and provide courses that prepare students for academic success at GAIs.

The bill would provide the Higher Education Coordinating Board with broad authority to establish standards necessary to meet the above goals.

The bill would direct two-year institutions to identify in their respective course catalogs those courses that GAIs determine are not generally transferable.

The bill would direct the Higher Education Coordinating Board to maintain an academic planning

website for all higher education students that would provide:

- 1) a tracking guide for students seeking to complete a degree or certificate program;
- 2) information regarding description of core curriculum requirements and core curriculum transfer provisions;
- 3) information regarding various major and minor areas of study available at institutions of higher education; and
- 4) any other information determined by the Coordinating Board to be useful in facilitating students' academic progress.

The bill would also require all institutions of higher education to provide a web link on their primary admissions website to the Coordinating Board academic planning website noted above.

## **Methodology**

The Higher Education Coordinating Board estimates there will be a two-fold cost to implementing the provisions of this bill

The first cost element is the amount needed to license the software required to operate the academic planning website. The Higher Education Coordinating Board estimates it is more costly for the State to develop and own a proprietary software system than to contract with external vendors for the needed solutions. The Higher Education Coordinating Board believes one vendor, Miami University in Ohio, is able to provide the needed solutions with its Course Applicability System (CAS). The CAS provides software application solutions to individual institutions around the county, including a pilot program at one Texas institution (University of North Texas). The principals operating CAS estimate a cost of \$1.2 million in fiscal year 2008 and \$240,000 for each following fiscal year to license Texas to use their software. The fiscal year cost of \$1.2 million is based on a licensing cost of \$1 per student multiplied by 1.2 million student headcount. The following fiscal years' cost of \$240,000 is based on a maintenance fee of 20 percent of the original licensing cost total, plus certain other smaller annual fees.

The Higher Education Coordinating Board estimates it will need funding and authorization to hire one FTE (a Web Developer position) to administer the academic planning website.

The second element of cost relates to the bill's requirement to make student transitions from two-year to four-year institutions more efficient. The Higher Education Coordinating Board estimates implementation of this requirement requires funding and authorization to hire 1 FTE (a new Program director position).

It is estimated the bill's provision requiring each institution of higher education to add a web link to the Higher Education Coordinating Board's academic planning website and the requirement directing two-year institutions to identify in their respective course catalogs those courses that GAIs determine are not generally transferable could be implemented with available resources.

## **Local Government Impact**

This bill would direct community colleges to identify in their respective course catalogs those courses that are generally not accepted by GAIs as being transferable to GAIs. This requirement should present no significant cost to community colleges.

**Source Agencies:** 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

**LBB Staff:** JOB, MN, RT, JAW